



DEPARTMENT OF THE ARMY

U.S. Army Corps of Engineers
WASHINGTON, D.C. 20314-1000

REPLY TO
ATTENTION OF:

CERM-F

APR 23 2004

MEMORANDUM FOR Commanders/Directors, USACE Commands (Resource Managers)

SUBJECT: FY04 Joint Reconciliation Program (JRP) Goals and Guidance

1. References:

a. Memorandum, ASA (FM&C), 30 Oct 03, subject: FY04 Joint Reconciliation Program Goals and Special Interest Initiatives. (Encl 1)

b. DOD Financial Management Regulation (DODFMR) Volume 3, Chapters 8 and 11, <http://www.dtic.mil/comptroller/fmr/>.

2. As part of the overall initiative to improve financial management within the Department of Defense, the Army has renewed its efforts to strengthen its own financial management in several areas. One key component of the strategy is to free up obligation authority that is unnecessarily reserved for obligations no longer valid as well as accounting transactions that linger in our accounting system. Aggressive goals for these areas are established in our FY04 JRP. As most of you know, USACE did not meet two of the goals for FY03. Enclosure 2 is a summary of the Corps' final position relative to each FY03 goal.

3. I want to set a course for the Command to place a renewed emphasis on meeting these goals for FY04. Therefore, I am providing the Army's goals and guidance (Enclosure 1) as well as USACE FY04 JRP goals and guidance (Enclosure 3 and 4). You will note that the effort is intensive. Please pay prompt attention to the required actions. Clearly, these are financially challenging times for all of us and our combined efforts are needed to ensure we maintain prudent financial management. Fund holders, with assistance from supporting accounting offices, shall review commitment and obligation transactions for timeliness, accuracy, and completeness during each of the four-month periods ending January 31, May 31, and September 30 of each fiscal year. The requirement for reviews of commitments and obligations applies to all appropriations and funds of all DoD Components. This requirement applies not only to direct appropriations, but also to all reimbursable transactions, as well as the department's revolving and trust funds.

4. Additional focus areas for FY04 include reducing interest penalty payments, monitoring de-obligations following the year of expiration, reporting on Government Purchase Card Rebates, and reviewing accounts receivables.

SUBJECT: FY04 Joint Reconciliation Program (JRP) Goals and Guidance

5. As with guidance from previous years, JRP confirmation statements are due to HQUSACE on 21 Feb each year for **Phase I** (1 Oct-31 Jan) where you review lines funded by appropriations that are expired and will cancel on 30 Sep of the current fiscal year. At the end of this phase the only unliquidated obligations remaining in support of appropriations that will cancel on 30 Sep of the current fiscal year should be for contracts (object class '25') that represent firm liabilities for which there is substantial evidence of work in process and that will require payment. Verify the validity of current year obligations and the amount recorded with priority given to significant dollar amounts and aged lines. **Phase II** (1 Feb-31 May) review lines funded by expired appropriations which will not be canceled at the end of the current fiscal year, follow-up on Phase I efforts to ensure corrective actions are being taken as planned on outstanding issues, and verify the validity of current year obligations and amount recorded with priority given to significant dollar amounts and aged lines. Certified fiscal year-end reports satisfy the **Phase III** (1 Jun-30 Sep) requirement is 100% review of all unliquidated obligations and the amount recorded with priority given to significant dollar amounts and aged lines, adjust all orders, contracts, requisitions, etc., to ensure that the unliquidated obligation amount is correct. Follow-up on Phase I & II to ensure corrective action is being taken as planned on outstanding issues. Each activity should use the Army's standard confirmation statement and a consolidated confirmation statement from each Major Subordinate Command should be forwarded to HQUSACE, CERM-F (Enclosure 5). Also, all supporting documentation for tri-annual joint reviews must be retained for at least two years from the review date in accordance with the DODFMR, Volume 3, Chapter 8.

6. My POC's for this matter are Mr. Harry Brown, CERM-F at 202-761-4878 and Ms. Jo-Ann Evans, CERM-F at 202-761-8886. I ask for your personal support and commitment to help us achieve these goals. Concerted and consistent efforts will be the hallmark of our initiatives. Together, we can make the difference.

FOR THE COMMANDER:

5 Encls

1. Memo, ASA (FM&C), 30 Oct 03
2. USACE FY03 JRP Results
3. USACE FY04 JRP Goals
4. USACE FY04 JRP Guidance
5. JRP Tri-annual Review Confirmation Statement

STEPHEN COAKLEY
Director of Resource Management



DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY
FINANCIAL MANAGEMENT AND COMPTROLLER
109 ARMY PENTAGON
WASHINGTON, DC 20310-0109

October 30, 2003

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: FY 04 Joint Reconciliation Program Goals and Special Interest Initiatives

The FY 04 Joint Reconciliation Program Goals (JRP) and Special Interest Initiatives are listed below. As a reminder, the JRP Phase III Reporting Video Teleconference will be held on November 20, 2003, 1500-1630 (EST). The JRP VTC charts are due in this office on November 7, 2003. Please forward your charts to the centralized JRP mailbox, JointReconProgram@hqda.army.mil.

FY 04 JRP Goals

- a. Using September 30, 2003, balances as the baseline:
 - By September 30, 2004, reduce to zero all problem disbursements (UMDs and NULOs) and intransits over 120 days.
 - By September 30, 2004:
 - Reduce to zero unliquidated obligations in the canceling accounts
 - Reduce unliquidated obligations in the 4th expired year by 50 percent
 - Reduce to zero travel advances in the expired years
- b. Using September 30, 2003, balances as the baseline:
 - By September 30, 2004, reduce total Unmatched Disbursements (UMDs) by 10 percent.
- c. Using September 30, 2003, balances as the baseline:
 - By September 30, 2004, reduce total Negative Unliquidated Obligations (NULOs) by 25 percent.
- d. Using July 31, 2003 baseline of Interest Penalty Payments paid per million dollars disbursed:
 - By September 30, 2004, reduce interest penalty payments by 20 percent.
- e. Using September 30, 2003, Accounts Receivable as the baseline:
 - By September 30, 2004, reduce accounts receivable by 25%
 - By September 30, 2004, reduce delinquent public receivable amounts greater than 180 days by 25%

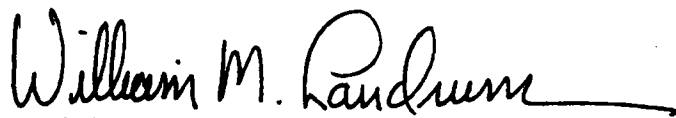
Additionally, there are several new initiatives at various implementation stages that will impact business practices during FY 04. They are as follows:

- a. MPA Transition to Specific Allotment: Effective October 1, 2003, the MPA Appropriations 2010 (FSN 012120) and 2060 (FSN 044222) transitioned to specific allotments. The specific allotments will now process transactions (disbursements and obligations) through STANFINS. The funding for the 2010 appropriation will remain centrally managed at Headquarters in FY 04.
- b. Automated Obligation Matching: Automated Obligation matching in the DFAS Indianapolis Operational Data Store (ODS) began during FY 03 in STANFINS. The process could not be used with SOMARDS vendor pay until standard document numbers were developed. The standard numbers were developed for use beginning FY 04 and thus, automated obligation matching in SOMARDS will begin in FY 04.
- c. ASK-FM Timeline: Army Shared Knowledge-Financial Management (ASK-FM) will provide resource managers and other users access to enterprise-wide financial information on a near real time basis. ASK-FM will provide graphical visualization of key performance indicators via digital dashboards. The prototype digital dashboards were deployed to the first 26 trial users on January 30, 2003. The expansion of the capability on an Army-wide basis to MACOMS and Installations will begin in FY 04.
- d. Transition of ARNG to STANFINS: At the beginning of FY 03, five USPFOs began processing FY 03 financial transactions in STANFINS. Prior to the end of FY 03 prior year data for the five were converted to STANFINS. Beginning FY 04, the remaining 49 USPFOs will begin processing financial transactions in STANFINS. During FY 04, the prior year data for the 49 will be converted to STANFINS.
- e. Automated Fund Control Program (AFCP): The AFCP will allow supply requisitions to be obligated on the initial requisition and will establish a robust customer Funds Control process. In addition it will result in elimination of 36+ Installation Supply Buffer databases across the Army and will simplify customer level supply-finance reconciliation processes. Development will continue in FY 04 with Army-wide fielding in FY 2005.
- f. General Fund Finance and Accounting Pilot: Army obtained USD(C) approval to conduct a pilot for general fund accounting. Program Executive Office - Enterprise Information Systems appointed a program manager for this project. DFAS will provide the Deputy Program Manager. We plan to test the system at an installation IMA operation, including the regional office and headquarters IMA for that installation. We plan to begin operations (IOC) at the pilot site October 1, 2004. If approval is received to field the system Army-wide, it would first be fielded to the remaining IMA sites and then the Army National Guard.
- g. Defense Travel System FY03 Deployment Schedule: Defense Travel System is a

paperless travel system that allows travelers to coordinate and arrange temporary duty (business) travel quicker and easier. Following is the FY 04 deployment schedule:

Sites	FY 04 D-Day
National Training Center and Fort Irwin, CA	03 Nov 03
U.S. Military Academy, West Point, N.Y.	03 Nov 03
Fort Monroe, VA	10 Nov 03
NG, NGB National HQs, Arlington, VA	05 Dec 03
Fort Belvoir, VA	05 Dec 03
Fort Riley, KS	08 Dec 03
Fort Huachuca, AZ	09 Jan 04
Fort Bliss, TX	23 Jan 04
White Sands Missile Range, NM	26 Jan 04
Fort Shafter, HI (Schofield/Tripler AMC)	30 Jan 04
Fort Leonard Wood, MO	06 Feb 04
Detroit Arsenal, Warren, MI	20 Feb 04
Fort Wainwright, AK	27 Feb 04
Fort Richardson, AK	05 Mar 04
Fort Rucker, AL	12 Mar 04
Presidio of Monterey, CA	02 Apr 04
Fort Jackson, S.C.	09 Apr 04
Fort Lee, VA	16 Apr 04
Fort Polk, LA	30 Apr 04
Fort Knox, KY	07 May 04
Fort Sill, OK	14 May 04
Fort Gordon, GA	28 May 04
Fort Carson, CO (AR Space CMD)	04 Jun 04
Fort Lewis, WA	11 Jun 04
Fort Stewart, GA (Hunter AAF)	09 Jul 04
Fort Monmouth, N.J.	23 Jul 04
Fort Sam Houston, San Antonio, TX	30 Jul 04
Rock Island Arsenal, IL	16 Aug 04

For more information on these initiatives, please forward your inquiries to the ASA (FM&C) centralized mailbox, asafmwebmaster@hqda.army.mil. Should you have any questions on the upcoming JRP VTC, November 20, 2003, 1500-1630 (EST), please contact Ms Barbara Jefferson, (703) 693-2805, DSN 223-2805.



William M. Landrum III
Colonel, Finance Corps
Acting Deputy Assistant Secretary of
the Army (Financial Operations)

USACE FY 03 JRP Results

Problem Disbursements

Goal: Reduce problem disbursements 80% from 30 Sep 98 baseline by 30 Jun 03.

Corps Results:

- Corps baseline of 30 Sep 98 was \$28.5M.
- Corps balance on 30 Jun 03 was \$255.9K
- Corps balance on 30 Sep 03 was \$228.6K

Unliquidated Obligations (ULOs)

Goal 1: Eliminate (entirely) canceling appropriation ULOs by 30 Sep 03.

Corps Results:

- Corps had a beginning balance on 1 Oct 02 of \$40.8M.
- Corps balance on 30 Sep 03 was \$700K for a 98.4% reduction.

Goal 2: Reduce fourth expired year appropriation ULOs 50% by 30 Sep 03.

Corps Results:

- Corps had a beginning balance on 1 Oct of 02 of \$58.3M
- Corps balance on 30 Jun 03 was \$31M for a 47% reduction.

USACE FY 04 JRP Goals

Problem Disbursements.

Goal 1: Reduce to zero all problem disbursements and in-transits over 120 days old by 30 Sep 04 using 30 Sep 03 balances as the baseline.

Goal 2: Reduce total Unmatched Disbursements (UMD's) by 10% by 30 Sep 04 using 30 Sep 03 balances as the baseline.

Unliquidated Obligations (ULOs)

Goal 1: Eliminate (entirely) canceling appropriation unliquidated obligations (ULOs) by 30 Sep 04.

- Corps balance as of 31 Mar 04 was \$21.8M.

Goal 2: Reduce 4th expired year appropriation ULOs by 50% by 30 Sep 04.

- Corps balance as of 31 Mar 04 was \$56.4M.

Goal 3: Reduce travel advances in the expired years to zero.

Negative Unliquidated Obligations (NULO's)

Goal 1: Reduce total Negative Unliquidated Obligations by 25% by 30 Sep 04 using 30 Sep 03 balances as the baseline.

Interest Penalty Payments

Goal 1: Reduce Interest Penalty Payments by 20% by 30 Sep 04 using 31 Jul 03 baseline of Interest Penalty Payments paid per million dollars disbursed.

- Corps baseline as of Jul 03 is \$153.4K
- Corps FY04 goal is \$122.7K
- Total paid as of 31 Mar 04 is \$49.9K

Accounts Receivable

Goal 1: Reduce accounts receivable by 25% by 30 Sep 04 using 30 Sep 03 Accounts Receivable as the baseline.

Goal 2: Reduce delinquent public receivable amounts greater than 180 days by 25% by 30 Sep 04 using 30 Sep 03 Accounts Receivable as the baseline.

USACE FY04 JRP Guidance

Problem Disbursements

- (a) To continue achieving our goals, activities must work closely with UFC. A monthly listing of problem disbursements will be issued to each activity. Each activity will review the listing and coordinate with the UFC to resolve problem disbursements and resolve their issues.
- (b) The DODFMR, Volume 3, Chapters 8 and 11 require obligation of problem disbursements and in-transits over 120 days to reduce problem disbursements. Therefore, **activities will immediately record obligations (using your own funds, if necessary) for problem disbursements over 120 days old on transmittal letters (TLs) where the net uncleared amount on the accountable stations' uncleared listing is \$250 or more, but less than \$2,500.**
- (c) Problem disbursements over \$2,500 must be researched until they are corrected.
- (d) For problem disbursements over 120 days old that meet the minimum requirements to discontinue research per DODFMR, Volume 3, Chapter 11, send your request to discontinue research through your MSC to HQUSACE, CERM-F.
- (e) Activities must immediately record obligations (using your own funds, if necessary) for those Transmittal Letters (TLs) less than \$250 regardless of age.
- (f) Prior to returning any excess funds to reimbursable customers, activities must coordinate with the UFC to ensure there are no outstanding problem disbursements against these funds.

Unliquidated Obligations (ULOs)

For contracts without activity over the past year, the Resource Manager/Fund Holder will contact the contracting office to determine if a modification is necessary to close the contract. Canceling appropriation and fourth expired year ULO reduction goals remain the same but the as of date has been changed from 30 Jun to 30 Sep 03. To assist in meeting the ULO goals, we are again granting Corps activities authority to de-obligate certain inactive (no activity for a period of one year or more) open obligations for **direct** military appropriations canceling on 30 Sep 04 and fourth expired year direct military appropriations canceling on 30 Sep 05. The term "inactive" pertains to non-receipt of an invoice, discontinuance of formal communication between both parties, and other instances that delay liquidating open obligations, excluding contracts under litigation. If the inactive open obligation is a TFO, TBO, or Interfund transaction, coordinate with the UFC before de-obligating and returning excess funds to ensure there are no outstanding problem

disbursements for that obligation. Once an inactive open obligation is de-obligated, return the funds to HQUSACE, where they will remain until cancellation on 30 Sep 04 or 30 Sep 05 (fourth expired year). If a Corps activity receives an invoice for payment after the obligation has been de-obligated but before the funds cancel, the Corps activity will request that HQ return the funds for the exact amount of the invoice. Upon fund receipt by the activity, they will re-obligate the funds in CEFMS, approve the invoice for payment, and forward payment to the UFC for disbursement.

Prompt Payment Interest Penalty

Reduce interest penalty payments by 20% using 30 Jun 03 as a baseline. The top two reasons for the high interest penalty payments are COR not signing ENG93's in a timely manner and UFC not receiving invoices timely. Field activities must ensure that all ENG93s are signed by the CORs.

De-obligations Following the Year of Expiration

Minimize de-obligation of funds immediately following the year of expiration.

Government Purchase Card Rebates

Maximize rebates from the government purchase card.

Accounts Receivable

DoDFMR Volume 3, Chapter 8 requires a complete review of all (both Military and Civil) public and intra-governmental receivables during joint reviews.

JRP Triannual Review Confirmation Statement

I hereby confirm that the triannual review for phase _____, period ending _____ was completed and accomplished in accordance with DoD Financial Management Regulation, Volume 3, Chapter 8, Paragraph 080401 through 080406 and DFAS-IN Regulation 37-1, Chapter 27, paragraphs 270801 through 270807.

1. Review of Canceling Appropriations:

Dollar Value Reviewed _____

Action Being Taken to Clear _____

2. Review of 4th Year Expired Appropriations:

Dollar Value Reviewed _____

Action Being Taken to Clear _____

Fund Holder Signature: _____

Official Title: _____

Organization/MSC: _____

Date: _____